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FILED

NOV 21 2008

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NORTHERN CALIFORNIA  
SAN FRANCISCO DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

EDWARD LICHTIG, III, individually  
and d/b/a, GSL ADVISORY  
SERVICES.

Defendant.

CV 08

Civil No.

5210

CW

**STIPULATION OF PERMANENT INJUNCTION**

Plaintiff, the United States of America, has filed a Complaint for Permanent Injunction against defendant Edwin Lichtig III. Lichtig does not admit the allegations in the Complaint, except that the Court has jurisdiction over him and the subject matter of this action.

Lichtig waives the entry of findings of fact and conclusions of law under Federal Rule of Civil Procedure 52 and Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402(a) and 7408.

STIPULATION OF PERMANENT INJUNCTION  
Case No. ( )

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Lichtig consents to entry of this Final Judgment of Permanent Injunction without admitting that grounds exist for imposition of an injunction. Lichtig enters into this Final Judgment of Permanent Injunction voluntarily and waives any right he may have to appeal from it.

Lichtig consents to entry of Final Judgment of Permanent Injunction, based on the following terms, without further notice and agrees that this Court shall retain jurisdiction over him for the purpose of implementing and enforcing the Final Judgment of Permanent Injunction.

The Court accordingly ORDERS, ADJUDGES, AND DECREES that:

1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and 1345 and I.R.C. §§ 7402(a) and 7408.

2. The Court finds that the PAT plan and FROCO plan schemes promoted by Lichtig as described in the Complaint violate various provisions of the Internal Revenue Code.

3. The Court finds that Lichtig consents to the entry of this injunction.

4. It is further ORDERED that Lichtig, individually and doing business under any other name or using any other entity, and his representatives, agents, servants, employees, attorneys, and anyone in active concert or participation with him, is permanently enjoined and restrained from, directly or indirectly:

(a) organizing (or assisting in organizing) or participating, directly or indirectly, in the sale or promotion of the PAT plan, which is a series of financial transactions designed to reduce customers' tax liabilities on untaxed retirement assets by using specially designed life insurance policies with high surrender penalties, self-employed retirement plans, and sham businesses;

(b) organizing (or assisting in organizing) or participating, directly or indirectly, in the sale or promotion of the FROCO plan, which is a series of financial transactions designed to reduce customers' tax liabilities on retirement money held in traditional IRAs by using specially designed annuities with high surrender penalties and Roth IRAs;

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(c) organizing (or assisting in organizing) or participating, directly or indirectly, in the sale of any interest in any other entity, plan, or arrangement, that assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities or unlawfully claim improper tax refunds;


(d) engaging in activity subject to penalty under 26 U.S.C. § 6700, including making, in connection with the organization or sale of any plan or arrangement, any statement about the securing of any tax benefit that the defendant knows or has reason to know is false as to any material matter;

(e) engaging in conduct subject to penalty under any provision of the Internal Revenue Code, or engaging in any other conduct that interferes with the administration and enforcement of the internal revenue laws; and

(f) misrepresenting the terms of this injunction.

5. It is further ORDERED that the United States is permitted to engage in post-judgment discovery to ensure compliance with this permanent injunction.

6. It is further ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and enforcing this Final Judgment of Permanent Injunction.

  
EDWIN LICHTIG III  
3445 Little Lane  
Lafayette, CA 94549

So ORDERED on NOV 21 2008

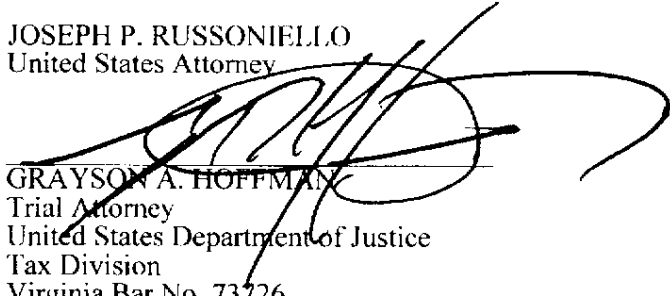
  
U.S. DISTRICT COURT JUDGE

STIPULATION OF PERMANENT INJUNCTION  
Case No. ( )

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